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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA, *ex rel.*
ROBERT JACKSON TYLER, JR.,

Plaintiff and Relator/Plaintiff,

v.

MELINDA ELIZABETH SABADO GREEN,
CHARLES RONALD GREEN, JR.,
BRETT SABADO,
ANTHONY MAZZA,
NICCO ROMANOWSKI,
NHS PHARMA, INC.,
NHS PHARMA SALES, INC.,
FOCUS DME MANAGEMENT, INC.,
MAKA-FEKE HOLDINGS, LLC,
UINTAH VENTURES, LLC,
HIVEWARE LLC,
BLACK ROCK OPERATIONS, LLC,
EMPIRE PAIN CENTER HOLDINGS, LLC,
RED ROCK OPERATIONS, LLC,
E.Z LIFE MEDICAL SUPPLY, INC.,
E.Z LIFE HEALTHCARE, INC.,
PRV MEDICAL SUPPLY, INC.,
ZEE & ASSOCIATES, LLC,
NATIONWIDE PRIME MEDICAL SUPPLIES,
LLC,
E & K MEDICAL SUPPLY, LLC,
BALLI MEDICAL EQUIPMENT LLC,
TRUFORM COMPLIANCE, LLC,
SQUARE ONE, LLC,
FOCUS DME BILLING INC., and
NET HEALTHCLAIM SERVICES,

Defendants.

Civil Action File No.

1:19-CV-5079

FILED UNDER SEAL

**JURY TRIAL
DEMANDED**

THIS DOCUMENT IS CONFIDENTIAL AND PRIVILEGED UNDER THE ATTORNEY-CLIENT PRIVILEGE, THE JOINT PROSECUTION PRIVILEGE, AND THE WORK PRODUCT DOCTRINE. THIS DOCUMENT ALSO MAY BE PROTECTED BY COURT ORDER. FOR FURTHER INFORMATION, CONTACT RELATOR'S COUNSEL LEE TARTE WALLACE AT 404-814-0465.

COMPLAINT

1. This is an action by the UNITED STATES OF AMERICA, ex rel., ROBERT JACKSON TYLER, JR., against Defendants MELINDA ELIZABETH SABADO GREEN, CHARLES RONALD GREEN, JR., BRETT SABADO, ANTHONY MAZZA, NICCO ROMANOWSKI, NHS PHARMA, INC., NHS PHARMA SALES, INC., FOCUS DME MANAGEMENT, INC., MAKAFEKE HOLDINGS, LLC, UINTAH VENTURES, LLC, HIVEWARE LLC, BLACK ROCK OPERATIONS, LLC, EMPIRE PAIN CENTER HOLDINGS, LLC, RED ROCK OPERATIONS, LLC, E.Z LIFE MEDICAL SUPPLY, INC., E.Z LIFE HEALTHCARE, INC., PRV MEDICAL SUPPLY, INC., ZEE & ASSOCIATES, LLC, NATIONWIDE PRIME MEDICAL SUPPLIES, LLC, E & K MEDICAL SUPPLY, LLC, BALLI MEDICAL EQUIPMENT LLC, TRUFORM COMPLIANCE, LLC, SQUARE ONE, LLC, FOCUS DME BILLING INC., and NET HEALTHCLAIM SERVICES.

2. Relator Robert Jackson Tyler, Jr., is a citizen of the United States of America and resident of Alpharetta, Georgia.

3. In an elaborate scheme to defraud Medicare and other federal health programs, Defendants paid and received kickbacks, and provided unnecessary and unwanted back, leg, arm and shoulder braces to patients around the country.

DEFENDANTS

I. INDIVIDUAL DEFENDANTS.

4. Defendant **Melinda Elizabeth Sabado Green** resides at 2936 Midsummer Dr., Windermere, FL, 34786. She owns multiple companies, transacts business, and committed acts proscribed by section 3729 in this jurisdiction. She may be served at her place of residence and will be subject to the jurisdiction of this Court.

5. Defendant **Charles Ronald Green, Jr.**, resides at 2936 Midsummer Dr., Windermere, FL, 34786. He owns multiple companies, transacts business, and committed acts proscribed by 31 U.S.C. § 3729 in this jurisdiction. He may be served at his place of residence and will be subject to the jurisdiction of this Court.

6. Defendant **Brett Sabado** is an individual who resides at 1430 N Harris Ridge, Atlanta, GA, 84058. In addition to living in this jurisdiction, he owns multiple companies, transacts business, and committed acts proscribed by 31

U.S.C. § 3729 in this jurisdiction. He may be served at his place of residence and will be subject to the jurisdiction of this Court.

7. Defendant **Anthony Mazza** is an individual believed to reside in New Jersey, but Plaintiff has been unable to locate an address for him. Mazza transacted business and committed acts proscribed by section 3729 in this jurisdiction. Once his address is located, Mazza may be served at his place of residence and will be subject to the jurisdiction of this Court.

8. Defendant **Nicco Romanowski** resides at 1288 Octavia Ct., Marietta, GA 30062. The address for Romanowski is given on information and belief. In addition to living in this jurisdiction, he transacted business and committed acts proscribed by section 3729 in this jurisdiction. He may be served at his place of residence and will be subject to the jurisdiction of this Court.

9. Defendants Nicco Romanowski and Mazza run Empire Pain Center Holdings LLC, a call center in New Jersey that sells fully-completed Medicare leads to DMEs. Relator is unsure whether the call center is in operation as of this date.

II. DEFENDANT HOLDING COMPANIES.

10. Defendant **NHS Pharma, Inc.**, is a California corporation with its principal place of business at 508 West Mission, Ste. 202, Escondido, CA, 92025.

Defendant NHS Pharma, Inc., is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, David Palmer Tenney, at 508 West Mission, Ste. 202, Escondido, CA, 92025.

11. NHS Pharma, Inc., is a holding company for many of the entities owned and run by Melinda and Ron Green and Brett Sabado, such as Defendants PRV Medical Supply, Inc., EZ Life Medical Supply and Zee & Associates, LLC.

12. According to the company's website, NHS Pharma "was established in 1987 by Melinda Green. At that time, Green was a dental hygienist who saw the need for a more efficient billing system that led to creating her own billing company. NHS quickly became known as being the first company to offer electronic billing for dental clients in California. Shortly thereafter, Green expanded NHS to cover the billing needs for other medical, psychological and pharmaceutical claims. NHS is located in Vista, California and the company consists of more than 100 employees."

13. Defendant **NHS Pharma Sales, Inc.**, is a California corporation with a business address of 508 W Mission Ave., Ste. 202, Escondido, CA 92025.

Defendant NHS Pharma Sales, Inc., is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, David Palmer Tenney, at 508 W Mission Ave., Ste. 202, Escondido, CA 92025.

14. Defendant **Focus DME Management Inc.**, is a California corporation with a business address of 508 W Mission Ave., Ste. 202, Escondido, CA 92025. Defendant Focus DME Management Inc., is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, David Palmer Tenney, at 508 W Mission Ave., Ste. 202, Escondido, CA 92025.

15. Focus DME Management, Inc. is a holding company that Melinda and Ron Green use to run other businesses within their enterprise. The corporation was registered with the State of California on 10/18/2018, by Charles Ronald Green.

16. Defendant **Maka-Feke Holdings, LLC**, is a Utah limited liability company with a principal office and record address of 2318 E. Mercer Hollow Cove, Draper, UT 84020. Defendant Maka-Feke Holdings, LLC, is subject to the jurisdiction of this Court, as set forth below. Defendant Maka-Feke Holdings, LLC, may be served with process through its registered agent, Brett Sabado, at 2318 E. Mercer Hollow Cove, Draper, Utah, 84020.

17. Defendant **Uintah Ventures, LLC**, is a Utah limited liability company with an address of 2318 E Mercer Hollow Cove, Draper, UT 84020. Defendant Uintah Ventures, LLC, is subject to the jurisdiction of this Court, as set

forth below. It may be served with process through its registered agent, Maka-Feke Holdings, LLC, at 2318 E. Mercer Hollow Cove, Draper, UT, 84020.

18. Defendant **HiveWare LLC**, is a Georgia limited liability company with a principal office address of 1176 Franklin Gateway SE, Suite A, Marietta, GA 30067. Defendant HiveWare LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Brett Sabado, at 1430 N. Harris Ridge, Atlanta, GA 84058.

19. Defendant **Black Rock Operations, LLC**, is a Georgia limited liability company, with a listed business address of 1176 Franklin Gateway, Marietta, GA, 30067. Defendant Black Rock Operations LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Brett Sabado, at 1176 Franklin Gateway, Marietta, GA, 30067.

20. Defendant Black Rock Operations, LLC, was registered on 3/26/2019 by Brett Sabado. The company was opened by Brett Sabado and Ronnie Green, who intend to broker other deals through Black Rock Operations, LLC.

21. Collectively, NHS Pharma, Inc., NHS Pharma Sales, Inc., Focus DME Management Inc., Maka-Feke Holdings, LLC, Uintah Ventures, LLC, HiveWare LLC, and Black Rock Operations, LLC, will be referred to as the “**Holding**

Companies.” The individual defendants use the Holding Companies to orchestrate and run their fraudulent activities, and to avoid detection by Medicare.

III. DEFENDANT CALL CENTERS.

22. Defendant **Empire Pain Center Holdings, LLC**, is a Delaware limited liability company. Defendant Empire Pain Center Holdings, LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Legalinc Corporate Services Inc., 651 N. Broad St., Suite 206, Middletown, DE 19709.

23. Empire Pain Center Holdings, LLC, operated a call center that sold completed leads to DMEs. It was registered with the State of Delaware on October 19, 2017.

24. Relator Tyler is aware that at least one other call center was used in the scheme described herein. He does not know the names of the other call center(s).

25. Collectively, Empire Pain Center Holdings, LLC, and the other call center or call centers will be referred to as the “**Call Centers.**”

IV. DEFENDANT PICK PACK.

26. Defendant **Red Rock Operations, LLC**, is a distribution service, or “pick pack” operation, located at 1176 Franklin Gateway SE Suite A, Marietta, GA

30067. Red Rock is a Utah limited liability company, and its registered office location is 2318 E. Mercer Hollow Cove, Draper, Utah, 84020. Defendant Red Rock Operations, LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Maka-Feke Holdings, LLC, at 2318 E. Mercer Hollow Cove, Draper, Utah, 84020.

27. Brett Sabado owns and operates Red Rock Operations, LLC.

V. DEFENDANT DURABLE MEDICAL EQUIPMENT PROVIDERS (“DMEs”).

28. Defendant **E.Z Life Medical Supply, Inc.**, is a California corporation with a business address at 18149 Ventura Blvd., Tarzana, CA 91356. Defendant E.Z Life Medical Supply, Inc., is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, David Palmer Tenney, at 312 S. Juniper St., Ste. 103, Escondido, CA 92025.

29. The initial corporate documents for E.Z Life Medical Supply, Inc., were signed by Pat Zadeh, 18149 Ventura Blvd., Tarzana, CA 91356, who may also be known as Pat Zadeh Obedian. The corporation was initially registered on 11/14/2014, and it continues to show as active on the California corporation rolls.

30. E.Z Life Medical Supply, Inc., is registered with Medicare as a DME with a provider identification number of 1528465028. Although Pat Zadeh is listed as president, this entity is owned and operated by Melinda and Ron Green.

31. Defendant **E.Z Life Healthcare, Inc.**, is a California corporation with a business address at 18149 Ventura Blvd., Tarzana, CA 91356. Defendant E.Z Life Healthcare, Inc., is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Mariana S. Curtis, at 20944 Sherman Way #115, Canoga Park, CA 91303.

32. E.Z Life Healthcare is registered with Medicare as a DME with a provider identification number of 1730645318. Although Parvaneh Zadeh, is listed as its CEO, this entity is owned and operated by Melinda and Ron Green.

33. E.Z Life Healthcare, Inc., was registered with the State of California on 9/24/2018.

34. Defendant **PRV Medical Supply, Inc.**, is a Florida corporation, with a business address of 350 W. 9th Ave., Ste. 106B, Escondido, CA 92025. Defendant PRV Medical Supply, Inc., is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, David Palmer Tenney, at 350 W. 9th Ave., Ste. 106B, Escondido, CA 92025.

35. PRV Medical Supply, Inc., is registered with Medicare to provide durable medical equipment, and has an NPI of 1033629910. Medicare lists the CEO as Marianna Sadikyan, and the address as 20944 Sherman Way, Ste 116,

Canoga Park, CA 91303-3633. Although Marianna Sadikyan is listed as the CEO, this entity is owned and operated by Melinda and Ron Green.

36. PRV Medical Supply, Inc., registered with the State of Florida on 8/14/2017, listing the principal place of business as 2655 Ulmerton Rd., Suite 415, Clearwater, FL, 33762; listing the mailing address as 20944 Sherman Way, Suite 115, Canoga Park, CA, 91303; and listing the registered agent as MS Curtis, 2655 Ulmerton Rd., Suite 415, Clearwater, FL, 33762. It registered with the State of California on 12/6/2017, listing the agent as Marianna S. Curtis.

37. In a 4/19/2019 filing with the Florida Secretary of State, Melinda Green is listed as President of PRV Medical Supply, Inc., and her address is given as 350 W. 9th Ave., #106B, Escondido, CA 92025.

38. Defendant **Zee & Associates, LLC**, is a Texas limited liability company, with a mailing address of 3303 Harbor Blvd., Ste. D12, Costa Mesa, CA, 92626-1541. Defendant Zee & Associates, LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Ronald C. Green, at 3939 Hillcroft St., Suite 120-A, Houston, TX, 77057.

39. Zee & Associates is registered with Medicare to provide durable medical equipment, and has an NPI of 1487077087. Medicare lists Ronald Charles

Green as the president, and gives an address of 3939 Hillcroft St., Ste. 120A, Houston, TX 77057.

40. Zee & Associates was registered with the Texas Secretary of State on 10/16/2013. The Texas Tax Office lists the Texas taxpayer number as 32052218800, and gives the mailing address as: 3303 Harbor Blvd., Ste. D12, Costa Mesa, CA, 92626-1541.

41. Defendant **Nationwide Prime Medical Supplies, LLC**, is a California limited liability company with a street address of 2575 Pio Pico Dr., Suite 100, Carlsbad, CA, 92008. Defendant Nationwide Prime Medical Supplies, LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Legalzoom.com, C2967349, with an entity address of 101 N. Brand Blvd., 11th Floor, Glendale, GA, 91203.

42. Nationwide Prime Medical Supplies, LLC, is registered with Medicare as a prosthetic/orthotic supplier with an NPI of 1861927923. Medicare lists the president as Ms. Arrabelle Gomez.

43. Nationwide Prime Medical Supplies, LLC, registered with the State of California on 3/21/2017.

44. Defendant **E & K Medical Supply LLC**, is a New Jersey limited liability company with a business address at 80 Main St, West Orange, New

Jersey 07052-5460, or alternatively, at 256 Grant Ave., East Newark, New Jersey 07029-2780. Defendant E & K Medical Supply LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Kimberly Perez at 256 Grant Ave., East Newark, NJ, 07029.

45. E & K is registered with Medicare as a durable medical equipment provider with an NPI of 1609107283. Medicare lists Kimberly Perez as the owner.

46. E & K Medical bought completed leads from Anthony Mazza and Nicco Romanowski, and was controlled at least in part by Mazza and Romanowski. E & K was incorporated on 1/18/2010.

47. Defendant **Balli Medical Equipment LLC** is a New Jersey limited liability company with a principal address of 1800 Route 9, Suite 2, Toms River, NJ, 08755-1284. Defendant Balli Medical Equipment LLC is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Erick Perez at 80 Main St., Ste. 160, West Orange, NJ 07052.

48. Balli bought completed leads from Anthony Mazza and Nicco Romanowski, and was controlled at least in part by Mazza and Romanowski.

49. Collectively E.Z Life Medical Supply, Inc., E.Z Life Healthcare, Inc., PRV Medical Supply, Inc., Zee & Associates, LLC, Nationwide Prime Medical Supplies, LLC, E & K Medical Supply LLC, and Balli Medical Equipment LLC

will be referred to as the “**DMEs.**” These DMEs bought completed leads from the Call Centers, and then, based on those leads, submitted charges for braces to Medicare.

VI. DEFENDANT MEDICAL BILLING COMPANIES.

50. Defendant **TruForm Compliance, LLC**, is a Utah limited liability company with a street address of 3408 S 1400 W, West Valley City, Salt Lake County, UT, 84119. Defendant TruForm Compliance, LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, AVP Consulting, LLC, at 50 West Broadway, Ste. 300, Salt Lake City, UT, 84101.

51. Defendant TruForm Compliance, LLC, is a billing company. Brett Sabado is the Managing Partner.

52. **Square One, LLC**, is a Utah limited liability company with a company address of 2318 E. Mercer Hollow Cove, Draper, UT 84020. Defendant Square One, LLC, is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, Maka-Feke Holdings, LLC, 2318 E. Mercer Hollow Cove, Draper, UT 84020.

53. Medicare will not reimburse a brace if the patient has received a similar brace within the past five years. Using proprietary software, Square One,

LLC, performs “same and similar” checks before DMEs bill Medicare. Square One, LLC, was registered with the Utah Secretary of State on 7/27/2018.

54. Defendant **Focus DME Billing Inc.**, is a California corporation with a principal office address of 508 W. Mission Ave., Ste. 202, Escondido, CA 92025. Defendant Focus DME Billing Inc., is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, David Palmer Tenney, at 508 W. Mission Ave., Ste. 202, Escondido, CA 92025.

55. Focus DME Billing Inc., was registered with the State of California on 10/18/2018 by Charles Ronald Green. At its zenith, Focus Billing had 15 employees or contractors.

56. Defendant **Net Healthclaim Services** is a billing company owned and operated by the Greens. The company is not listed under that name with the California, Georgia or Utah secretaries of state. A third-party website lists Net Healthclaim Services as being located at 2852 Brookside Dr., Chino Hills, CA 91709. Defendant Net Healthclaim Services is subject to the jurisdiction of this Court, as set forth below. It may be served with process through its registered agent, when that agent is located.

57. Collectively, Defendants TruForm Compliance, LLC, Square One, LLC, Focus DME Billing Inc., and Net Healthclaim Services will be referred to as the “**Billing Companies.**”

JURISDICTION AND VENUE

58. This is an action by the United States of America, *ex rel.* Relator Tyler, against Defendants to recover damages and civil penalties on behalf of the United States of America arising from false and/or fraudulent statements, records, and claims made and caused to be made by Defendants and/or their agents and employees in violation of the Federal False Claims Act, 31 U.S.C. § 3729, *et seq.*, and the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b).

59. The United States of America is the real party in interest to the claims in this action.

60. Pursuant to 28 U.S.C. § 1331, Defendants are subject to federal question jurisdiction in this Court because this action arises under the laws of the United States, including 31 U.S.C. §§ 3729 and 3730, and other relevant federal statutes.

61. Additionally, Defendants are subject to jurisdiction and venue in this Court, where “one defendant can be found, resides, transacts business, or in which any act proscribed by section 3729 occurred.” 31 U.S.C.A. § 3732(a). Accordingly,

jurisdiction and venue are appropriate in Georgia because, among other reasons, Defendants Brett Sabado, Nicco Romanowski, Red Rock Operations, LLC, Black Rock Operations, LLC, Focus Medical Billing Services, LLC, and HiveWare LLC, can be found, maintain offices, transact business, and reside in Georgia and in the Northern District of Georgia. In addition, acts proscribed by § 3729 occurred in the Northern District of Georgia. Venue furthermore is proper in this District under 28 U.S.C. § 1391.

62. Pursuant to 31 U.S.C. § 3730(e)(4)(B), Relator is an “original source,” who has direct and independent knowledge of the information upon which this Complaint is based, and voluntarily provided disclosure of the allegations of this Complaint to the United States prior to filing.

GOVERNMENT-FUNDED HEALTHCARE PROGRAMS

63. In a coordinated scheme and conspiracy, the Defendants: (a) defrauded the United States, Medicare and Medicare patients through a fraudulent kickback scheme that placed profit over care; (b) procured prescriptions from medical providers who had not examined or even spoken to the patients for whom they were writing prescriptions; (c) billed Medicare for braces that were medically unnecessary for the patients to whom they were sent; (d) billed Medicare for braces

that were never requested by patients; and (e) failed to reimburse Medicare for braces that were returned by patients.

I. THE MEDICARE PROGRAM AND DURABLE MEDICAL EQUIPMENT.

64. Medicare is a federal health care benefit program, affecting commerce, that provides benefits to individuals who are 65 years and older or disabled. Medicare is administered by the Centers for Medicare and Medicaid Services ("CMS"), a federal agency under the United States Department of Health and Human Services. Individuals who qualify for Medicare benefits are referred to as Medicare "beneficiaries." Each beneficiary is given a unique health insurance claim number ("HICN").

65. Medicare is a "Federal health care program" as defined by Title 42, United States Code, Section 1320a-7b(b), and a "health care benefit program" as defined by Title 18, United States Code, Section 24(b).

66. Medicare programs covering different types of benefits are separated into different program "parts." Medicare Part A covers health services provided by hospitals, skilled nursing facilities, hospices, and home health agencies. Medicare Part B covers physician services and outpatient care, including an individual's access to DME, such as orthotic devices and wheelchairs. Parts A and B were

known as the "original fee-for-service" Medicare program, in which Medicare paid health care providers fees for services rendered to beneficiaries.

67. Orthotic devices are a type of DME that includes rigid and semi-rigid devices such as ankle braces, knee braces, back braces, elbow braces, shoulder braces, wrist braces, and hand braces (collectively "braces"). Section 1847(a)(2) of the Social Security Act defines Off-The-Shelf ("OTS") orthotics as those orthotics described in section 1861(s)(9) of the Act for which payment would otherwise be made under section 1843(h) of the Act, which require minimal self-adjustment for appropriate use and do not require expertise in trimming, bending, molding, assembling, or customizing to fit to the individual. Orthotics that are currently paid under section 1834(h) of the Act and are described in section 1861(s)(9) of the Act are leg, arm, back, and neck braces. The Medicare Benefit Policy Manual (Publication 100-2), Chapter 15, Section 130 provides the longstanding Medicare definition of "braces." Braces are defined in this section as "rigid or semirigid devices which are used for the purpose of supporting a weak or deformed body member or restricting or eliminating motion in a diseased or injured part of the body."

68. DME companies, physicians, and other health care providers that provide services to Medicare beneficiaries that are reimbursed by Medicare are

referred to as Medicare "providers." To participate in Medicare, providers, including DME suppliers, are required to submit applications in which the providers agree to comply with all Medicare-related laws and regulations, including the Anti-Kickback Statute (42 U.S.C. Sec. 1320a-7b(b)), which proscribes the offering, payment, solicitation, or receipt of any remuneration to induce the referral of a patient or the purchase, lease, order, or arrangement therefor, of any good, facility, service, or item for which payment may be made by a federal health care program. Providers are given access to Medicare manuals and service bulletins describing procedures, rules, and regulations. If Medicare approves a provider's application, Medicare assigns the provider a Medicare "provider number" or "supplier number" which is used for the processing and payment of claims.

69. In applying for its supplier number, a DME company must sign certifications, including, among other things: "I understand that payment of a claim by Medicare is conditioned upon the claim and the underlying transaction complying with such laws, regulations and program instructions (including, but not limited to, the Federal anti-kickback statute)."

70. Medicare reimburses DME suppliers and other healthcare providers for services rendered to beneficiaries. To receive payment from Medicare,

providers submit or cause the submission of claims to Medicare, either directly or through a billing company.

71. Most providers submit their claims electronically pursuant to an agreement they execute with Medicare in which the providers agree that: (a) they are responsible for all claims submitted to Medicare by themselves, their employees, and their agents; (b) they will submit claims only on behalf of those Medicare beneficiaries who have given their written authorization to do so; and (c) they will submit claims that are accurate, complete, and truthful.

72. To receive reimbursement from Medicare for non-physician items such as OTS orthotics, a DMEPOS supplier is required to submit a claim, either electronically or in writing, through Form CMS-1500 or UB-92. A Medicare claim for DME reimbursement is required to set forth, among other things, the beneficiary's name and unique Medicare identification number, the equipment provided to the beneficiary, the date the equipment was provided, the cost of the equipment, the billing codes for the specified item, and the name and National Provider Identifier ("NPI") of the attending physician who prescribed or ordered the equipment.

73. A claim for DME submitted to Medicare qualifies for reimbursement only if the DME was reasonable and medically necessary to the treatment of the beneficiary's illness or injury and prescribed by the beneficiary's physician.

74. Medicare regulations required health care providers enrolled with Medicare to maintain complete and accurate patient medical records reflecting the medical assessment and diagnoses of their patients, as well as records documenting actual treatment of the patients to whom services were provided and for whom claims for payment were submitted by the physician. Medicare requires complete and accurate patient medical records so that Medicare may verify that the services were provided as described on the claim form. These records were required to be sufficient to permit Medicare, through its contractors, to review the appropriateness of Medicare payments made to the health care provider.

II. MEDICARE ADVANTAGE ("PART C").

75. Medicare Part C, also known as the "Medicare Advantage" Program, provides Medicare beneficiaries with the option to receive their Medicare benefits through private managed care plans, including health maintenance organizations ("HMOs") and preferred provider organizations ("PPOs"). Medicare Advantage provides beneficiaries with all of the same services provided by an original fee-for-

service Medicare plan, in addition to mandatory supplemental benefits and optional supplemental benefits.

76. To receive Medicare Advantage benefits, a beneficiary is required to enroll in a managed care plan operated by a private company approved by Medicare. Those companies are often referred to as Medicare Advantage plan "sponsors." A beneficiary's enrollment in a Medicare Advantage plan is voluntary.

77. Rather than reimbursing based on the extent of the services provided, as CMS does for providers enrolled in original fee-for-service Medicare, CMS makes fixed, monthly payments to a plan sponsor for each Medicare Advantage beneficiary enrolled in one of the sponsor's plans, regardless of the services rendered to the beneficiary that month or the cost of covering the beneficiary's health benefits that month.

78. Medicare Advantage beneficiaries choose to enroll in a managed care plan administered by private health insurance companies, which are typically HMOs or PPOs. A number of entities are contracted by CMS to provide managed care to Medicare Advantage beneficiaries through various approved plans. Such plans cover DME and related health care benefits, items, and services. These Medicare Advantage plans receive, adjudicate, and pay the claims of authorized

suppliers seeking reimbursements for the cost of DME and related health care benefits, items, and services supplied to Medicare Advantage beneficiaries.

III. THE ANTI-KICKBACK STATUTE.

79. Congress passed the Anti-Kickback Statute in order to ensure that patient care would be based on what is best for the patient, not what is most profitable for the company making, arranging for, or receiving the patient referral. The Anti-Kickback Statute, Title 42, United States Code, Section 1320a-7b(b), prohibits knowingly and willfully offering, paying, soliciting, or receiving a kickback or bribe to induce or reward referrals or the arranging for referrals of items or services reimbursable by a Federal health care program. The parties on both sides of the kickback — giving and receiving — are civilly and criminally liable.

FACTUAL ALLEGATIONS

I. DR MEDICAL MEETS THE “KICKBACK QUEEN.”

In 2017, Relator Tyler opened DR Medical along with friend Damon Reed. The company manufactured orthotics such as back, knee and shoulder braces. Rob Tyler was President of Sales, and Damon Reed was CEO.

80. To get an influx of capital to grow the business, on June 1, 2018, Reed and Tyler sold controlling interest in their company to Material Motion, a Decatur,

Georgia, company that already manufactured an array of products, such as filters, industrial packaging, and food service products. Reed stayed onboard as Marketing Manager, and Tyler remained the President of Sales.

81. On June 25, 2018, DR Medical was introduced to Brett Sabado in a phone conference. Sabado said that his mother, Melinda Green, ran several DMEs, and would be interested in buying braces from DR Medical.

82. On July 23 and 24 of 2018, Relator Tyler flew to California and met with Sabado, Sabado's mother Melinda Green, her husband Ron Green, and Ron Green's son Ronnie. Tyler quoted prices for several types of orthotic braces.

A. The Greens Begin Ordering from DR Medical.

83. Within weeks, Melinda and Ron Green were ordering thousands of braces each week for their DME, E.Z Life.

84. Melinda and Ron Green also owned a second DME, called PRV. About three months after E.Z Life started ordering from DR Medical, the Greens brought PRV's business over to DR Medical, too.

85. PRV was only in business for a total of about 16 months, but its growth was extraordinary. Before the Greens shut PRV down, it was ordering 20,000 - 25,000 braces a month and making \$20 million a year, almost entirely from Medicare.

86. Initially DR Medical shipped its braces in bulk to an Escondido, California, “pick pack” run by Brett Sabado. Sabado’s company, Red Rock Operations, LLC, packed the braces into boxes and shipped them to individual patients. As the cost of shipping the braces to Escondido mounted, Sabado decided to move his pick pack to Atlanta to save on shipping costs.

87. Red Rock Operations, LLC, currently operates in Marietta, Georgia, and it ships durable medical equipment to patients all over the country.

B. Anthony Mazza, Nicco Romanowski and Empire Pain Center.

88. Ron and Melinda Green and Brett Sabado took Damon Reed and Relator Tyler along on a business trip to New Jersey in the first week of November 2018. The Greens pitched their billing and pick pack services to DME owners Aaron Williamsky and Nadia Levit, while Reed and Tyler offered pricing for braces.

89. While they were in Newark, the Greens wanted to stop by to see some other business contacts. Reed and Tyler tagged along to a meeting with Anthony Mazza and Nicco Romanowski, who ran Empire Pain Center in New Jersey.

90. At 8 p.m. on a Thursday night, the Empire Pain Center office was bustling. At the office, located on the second floor of a building outside Newark, dozens of employees were crammed into a large, open room. The room was loud,

because each employee wore headphones, and they were all talking on the phone at once. Tyler overheard the employees pushing customers to order braces.

91. Mazza and Romanowski stated that they also had physicians “on board,” although Tyler did not meet any.

92. Later the Greens said they and numerous other DMEs paid Mazza and Romanowski a hefty price of \$500 - \$550 per “lead” for Medicare patients who would order braces.

93. In addition to running the call center, Mazza and Romanowski had control over numerous DMEs which were ostensibly owned by others. Mazza referred to these companies as “our DMEs” and said he wanted to get “us” signed up to buy braces from DR Medical and wanted to discuss pricing for “us.” He wrote DR Medical, offering business:

I have over 50 DME’s that I can start selling your braces to if we can put something together.

They average 50-60,000 braces sold monthly. ...

We like to move on opportunities fast and dont do anything on a small scale.

The 50 DMEs are just one person we have pitched this to so far.

11/10/2018 email from Mazza to Damon Reed. These DMEs were just shell companies, as Mazza acknowledged when he noted that one person owned 50 DMEs.

94. When DR Medical refused to pay kickbacks to Mazza, the business never materialized.

95. Separately, the Greens also introduced Damon Reed and Steve Schneider to Charles Burruss and Ardalan “Armani” Adams, who owned a DME in California, Ever Prime Concepts, Inc. Burruss and Adams bought leads from Mazza and Romanowski.

II. DR MEDICAL’S BUSINESS UNRAVELS IN THE AFTERMATH OF OPERATION BRACE YOURSELF.

96. DR Medical was barely able to keep inventory in stock. In January, February and March 2019, DR Medical shipped hundreds of thousands of braces a month. To feed the voracious appetite of its growing DME base, DR Medical borrowed money to buy millions of dollars’ worth of additional braces.

97. In April 2019, however, Rob Tyler got a call from Brett Sabado explaining that federal authorities had raided Aaron Williamsky’s and Nadia Levit’s office, as part of nationwide Operation Brace Yourself. Williamsky, Levit and a host of others were accused of using an offshore call center in the Philippines to generate leads for DMEs that wanted to supply braces to Medicare patients. These patients were hooked up with telemedicine doctors who wrote prescriptions for unnecessary braces without ever even seeing the patients. DMEs paid the call center to generate these completed prescriptions, which was improper. Later,

Sabado and Ronnie Green told Tyler that kickbacks (“overrides”) had gone from the DME to the telemedicine company, and then from the telemedicine company to the doctor, which also was improper.

98. DR Medical customers Charles Burruss and Armani Adams also were swept up in the operation. Just weeks earlier, the Greens had convinced Burruss and Adams to buy the Greens’ suite of services and to buy braces from DR Medical. Burruss and Adams had wired \$980,000 into an account to fund orders of braces. At the time the feds swooped in, the account still had \$330,000. Brett Sabado worked out a deal to buy the \$330,000 in braces from Burruss and Adams, paying only \$1 or \$2 per brace.

99. Sabado informed DR Medical that Melinda and Ron Green were going to shut down their DMEs. DR Medical was unclear why the Greens were shuttering their DME operations, since no one from their operation had been arrested, but the upshot was disastrously clear: the Greens were cancelling all of their orders for braces.

100. One by one, the companies that Melinda and Ron Green had referred to DR Medical shuttered their doors or at least cancelled their orders. Some of the DMEs that had been buying leads were seeing thousands of returns from patients

who said they did not want the products. These DMEs started using those returns to fill orders instead of ordering new products through DR Medical.

101. DR Medical was left holding the bag on millions of dollars of inventory that had been ordered to satisfy customers that had disappeared, been arrested, or were no longer willing to operate, apparently because their leads had been fraudulent.

102. The Greens seized the opportunity to take over the wounded company. Melinda Green wired \$3.5 million to Material Motion and bought DR Medical for just a few hundred thousand above the value of the inventory that sat in its warehouse. Melinda and Ron Green now own 51% of DR Medical, and Brett Sabado owns 49%. A profit of 40% of the cost of each brace is paid to Melinda Green.

103. After the sale, Material Motion and Steve Schneider bowed out of DR Medical. The Greens fired Damon Reed, believing their son Brett Sabado could handle the operations side of the business on his own. Rob Tyler was kept on as a 1099 consultant continuing to sell product directly to his personal book of business, which is large distributors such as hospitals, Amazon accounts, doctors' offices, and other non-DME clients.

III. HOW THE FRAUD SCHEME WORKED.

104. Although Melinda and Ron Green had not been arrested or implicated in Operation Brace Yourself, they were and are at the epicenter of a nearly-identical ring. The Greens and Sabado had a euphemism for “kickback”: “overrides.” Melinda Green, in particular, was the “Kickback Queen” because she received “overrides” from every direction.

105. Nicco and Andrew Mazza’s crowded office was a call center just like the offshore one in the Philippines that was cited in Operation Brace Yourself. While DMEs may be able to legitimately purchase leads that consists of only names, addresses and telephone numbers, Romanowski and Mazza were selling “completed leads” - leads that came complete with prescriptions from doctors who had never even seen the patients.

106. Romanowski and Mazza stated that Empire Pain got leads from sources in India. Empire Pain’s sales reps in New Jersey used the lists generated out of India to cold call Medicare patients, asking whether they had pain and might qualify for a free back brace.

107. Once the patient gave his or her Medicare number, the sales rep then added additional braces to the order, braces the patient had not requested and did not need. The Call Center contacted a telehealth doctor and got the telehealth doctor to write a prescription for multiple braces.

108. For example, a patient who ordered a back brace might also be scripted for two wrist braces and two knee braces.

109. Empire Pain then informed the DME that it had completed leads for a certain number of patients. The DME had 24 hours to wire payment, typically \$500 - \$550 per patient.

110. Empire Pain and the DMEs also ordered braces for people who did not want any braces at all.

111. Using the information provided by the call center, the DME then billed Medicare, typically using Ron and Melinda Green's Billing Companies.

112. Melinda Green, along with her husband Ron, skimmed off kickbacks in all directions. Nicco Romanowski and Andrew Mazza paid the Greens for sending them DMEs that would order completed leads from Empire Pain. The DMEs paid the Greens for referring them to Nicco Romanowski's and Andrew Mazza's lead generating machine. Part of the kickback the Greens took from the DMEs came in the form of requiring the DMEs to buy the Greens' billing and pick pack services — and at rates that were far above customary.

113. At the same time the Greens were receiving kickbacks, they also were paying hundreds of thousands of dollars to Romanowski and Mazza for completed

leads. Melinda Green also said that she was paying another offshore lead source, but Relator Tyler does not know the name of that company.

114. As the fraud grew to outsized proportions, greed took over. The lead generation centers started selling the same leads more than once. When the DMEs realized that they had paid \$500 apiece for useless leads, they demanded discounts on future lead orders from the call centers.

115. Tyler later learned that, unbeknownst to DR Medical, Melinda even was taking kickbacks from the DMEs for referring them to DR Medical, which had good rates for its braces.

IV. DEFENDANT BRETT SABADO ADMITS THE FRAUD.

116. After speaking with a Medicare representative at an industry conference in April 2019, Tyler became suspicious about the scheme. Tyler's partners questioned Brett Sabado on a phone call. Central to the discussion was the burning question: if there was nothing wrong with what Melinda and Ron Green were doing, why did they suddenly cancel their orders, shutter their DMEs, and pull up stakes? Why did all of their colleagues do the same thing? More to home, why was DR Medical left holding millions of dollars in inventory? Sabado's answer was nothing short of a confession.

117. Sabado explained that some of the DMEs that were cancelling orders had been using doctors to rubberstamp prescriptions for patients the doctors had never seen. He tried to distinguish his parents' actions from this type of fraud:

STEVE SCHNEIDER:

But the, here's the, here's the deal. If we, but, what your mom was doing, I mean, she, was knowingly illegal, though, right? Wasn't it? I mean, isn't that w-w-what the big issue was?

BRETT SABADO:

It's not knowingly illegal, that's, that's, that's incorrect.

STEVE SCHNEIDER:

Oh okay.

BRETT SABADO:

It's uh...

STEVE SCHNEIDER:

So what is it, what is the, what is the story there, I don't know, I don't remember, because I don't why, why they're even stopping, or anything like that.

BRETT SABADO:

Yeah, so um, the it's, it all has to do with, um, there were people that were doing really knowing illegal stuff. Like, they were signing scripts from doctors that never saw patients, patients that never wanted braces. I mean that's, that's actual fraud.

STEVE SCHNEIDER:

Right right.

BRETT SABADO:

Not like, they would get your information, and they would just send you a brace, and then bill it and you wouldn't even know.

STEVE SCHNEIDER:

But then, what was, but then what was your mom doing that was like, sketchy, that you're like, uh they're exposed? I mean like so why would that not be different from what George would be doing? Like so wh-, why don't I'm not, I'm trying to figure this out.

BRETT SABADO:

Okay. So, those people that did the really sketchy stuff, it's all on the premise that it was telemedicine, and it's all Medicare.

STEVE SCHNEIDER:

Right.

BRETT SABADO:

Okay?

STEVE SCHNEIDER:

Mm-hmm (affirmative).

BRETT SABADO:

And, because it's telemedicine, um, you know the doctor, there's just different rules than a normal clinic.

STEVE SCHNEIDER:

Right.

BRETT SABADO:

And so, it's very difficult to know whether the doctor actually spoke to the patient, it's just like a lot of weird stuff. But if they actually have a legitimate doctor, that has a license, and that doctors willing to put their license on the line, to make a ton of money on the side. 'Cause that's what was happening. These doctors are just rubber stamping these scripts, right?

STEVE SCHNEIDER:

Right.

BRETT SABADO:

And making shiz-tons on them.

STEVE SCHNEIDER:
Right.

BRETT SABADO:
It's like every script you stamp, you get 100 bucks.

STEVE SCHNEIDER:
Oh.

BRETT SABADO:
So like if I stamp 50 today, I made five grand today.

118. Sabado explained that the Call Centers, or “rep groups,” were paying the doctors who were writing prescriptions for the braces:

STEVE SCHNEIDER:
They're making that money from the rep groups, is that what they're doing? Fr-from...

BRETT SABADO:
They're making it from the telemedicine company.

STEVE SCHNEIDER:
Got it.

BRETT SABADO:
Who, who's paid by the rep groups.

STEVE SCHNEIDER:
Got it, okay.

BRETT SABADO:
So, w-what's happening is these rep groups are paying these these telemedicine companies, but in in in theory, you're like, why would a rep group pay a doctor to visit with a patient, if, that sounds like a lot

inducement, you know?

STEVE SCHNEIDER:
Right.

BRETT SABADO:
Um, but in the telemedicine world, there's 22 states where they're okay with that because they're not paying the doctor directly, they're paying a telemedicine company.

STEVE SCHNEIDER:
Okay.

BRETT SABADO:
That employs a bunch of doctors.

STEVE SCHNEIDER:
Okay. Got it.

BRETT SABADO:
But they, they don't know the telemedicine company is encouraging these doctors to write prescriptions, right?

STEVE SCHNEIDER:
Right.

BRETT SABADO:
Like there's, there's so much muddy water there. Right?

STEVE SCHNEIDER:
Right.

BRETT SABADO:
When they're saying, okay, it's easy for these people to do fraud, because it's just really easy within that model.

STEVE SCHNEIDER:
Right.

BRETT SABADO:

And so, all the people that are actually talking to patients, and actually have reported callings and like are trying to do it right, you can't tell which is which. Right, you can't, like you look at one guy that's doing fraud, and it's Medicare Telemed, medicine.

STEVE SCHNEIDER:

Yeah.

BRETT SABADO:

And you look at another person that's doing a great job in some Medicare telemedicine, and you can't tell the difference, 'cause they all look the same.

STEVE SCHNEIDER:

Okay.

119. Sabado then went on to admit that, just like the wrongdoers he was describing, his parents *also* were filling prescriptions written by doctors who had never seen or spoken to the patients:

BRETT SABADO:

So, what I'm trying to say, is my parents, it's not that they did something wrong, right, it's that, and by the way, th-the thing my parents are worried about is, you know these patients, who really need support braces in a box.

STEVE SCHNEIDER:

Right. Th-that, that's what...

BRETT SABADO:

So...

STEVE SCHNEIDER:

That's what I was trying to figure out, if if they didn't do anything

wrong then why are they getting out of it? Why don't they just continue?

BRETT SABADO:

Well 'cause what, you know what Ron is saying is, well there, there's two reasons. By the way, reason number one is the recorded callings, the recorded calls didn't have the doctor on some of them. Right.

STEVE SCHNEIDER:

Uh-huh (Affirmative).

BRETT SABADO:

There was just the marketer. And you can't pass an audit with that.

STEVE SCHNEIDER:

Okay.

BRETT SABADO:

Okay? And so they're like, they they knew that there was some sort of doctor interaction but some of the Telemeds they were using were not good, you have half of the calls that are going, have a legit doctor on the phone, recorded. The other half of the business is coming from, just a doctor listening to a recording, and saying, "I'm gonna find medical necessity on this recording. And just make a script."

STEVE SCHNEIDER:

Okay.

120. Sabado explained that the sales reps (at the Call Centers that his parents were paying for leads, and from which his parents were getting kickbacks) were pushing patients to get braces they did not request or need:

BRETT SABADO:

And so, half of their business is like a little sketchy, you know, and these, these marketing reps are pushing these patients really hard, being like, oh you have pain in your wrist? Oh, we'll send you a wrist

brace. If you don't want it, you know...

STEVE SCHNEIDER:
Send it back.

BRETT SABADO:
Send it back.

STEVE SCHNEIDER:
Got it.

BRETT SABADO:
Right? And so they're just sending all these braces, that's why there was so many that went out for patients, 'cause they're just like if you don't want it just send it back, we'll just send it to you, try it out, see if you like it.

STEVE SCHNEIDER:
Gotcha.

BRETT SABADO:
And the patient only really wanted a back brace, you know.

STEVE SCHNEIDER:
Right. Right.

BRETT SABADO:
And since the doctor wasn't really talking with them, they were just listening to the recording, you know it just went out, got scripted. And so, that's, that's one thing they're worried about, is trying to be able to pass that.

121. Sabado also explained that his parents had been doing “highly questionable” things like taking kickbacks (“overrides”) of as much as \$3,000,000 a week on Call Center orders sent to Charles Burruss and Ardalan “Armani”

Adams, two California DME owners who were indicted as part of Operation Brace

Yourself:

BRETT SABADO:

And since the doctor wasn't really talking with them, they were just listening to the recording, you know it just went out, got scripted. And so, that's, that's one thing they're worried about, is trying to be able to pass that. Number two is, um, they took overrides on everyone's business that went to Charles and Armani. So, um, Charles and Armani, they're stuff, every, on every dollar that was paid to my parents, all the business that went through Charles and Armani, all of that is in the feds hands right now.

STEVE SCHNEIDER:

Okay.

BRETT SABADO:

All. And so. That is gonna be looked at, like crazy.

STEVE SCHNEIDER:

So...

BRETT SABADO:

You know, they're gonna be, fine tooth comb.

STEVE SCHNEIDER:

But, is that, is that, so are you not allowed to take an override?

BRETT SABADO:

Not, not the way they did it, no. On Medicare, by the way, on Medicare, you cannot make a, um, you can't make a percentage, as a rep. And you can't make a fixed dollar amount, as a rep.

STEVE SCHNEIDER:

Oh.

BRETT SABADO:

You have to make an amount that has nothing to do with braces.

STEVE SCHNEIDER:

Oh, I see.

BRETT SABADO:

It, right, so how are they getting paid?

STEVE SCHNEIDER:

Yeah.

BRETT SABADO:

Well they're getting, they're getting paid based off of, a dollar amount per brace. Which is actually, a, a kickback violation, 100 percent, as clear as day.

STEVE SCHNEIDER:

So that...

BRETT SABADO:

The thing is, the contract they have doesn't say that. So the contract they have is based on hours. And saying, hey, I will, you know, Melinda works, you know 40 hours a week on this, and she's going to make, you know, 800,000 dollars.

STEVE SCHNEIDER:

right.

BRETT SABADO:

right?

STEVE SCHNEIDER:

Right.

BRETT SABADO:

And then, so they just have a, a crazy dollar amount per hour. Let's say it's like 10,000 dollars an hour.

STEVE SCHNEIDER:

Right.

BRETT SABADO:

Does that sound legit at all?

STEVE SCHNEIDER:

No. (Laughs).

BRETT SABADO:

And then how does, how does, how do you, how do you, how do you do that when you have sub reps? So now she gets, she makes 800,000, well it's still wasn't like that, she makes three million dollars this week. And now she pays out majority of that to someone else. None of it's W2, right, so it's freaking...

STEVE SCHNEIDER:

Totally, totally. That, that, so that part was the illegal part that they're concerned about.

BRETT SABADO:

That, that's the main part they were concerned about. The, the DME stuff, and what we sent through PRV and E.Z Life, we can defend a lot of that.

STEVE SCHNEIDER:

Yeah.

BRETT SABADO:

But there's some business there that is, is highly questionable.

STEVE SCHNEIDER:

Yeah. Okay.

122. Sabado conceded that, in part, his mother received her kickbacks from the DMEs by charging an unreasonably high price for the billing services her company offered:

BRETT SABADO: I'm not, I'm ... Dude, here's the r- here's what, what sucks about the old format that I always had an issue with is people pay crazy pricing because they're like, "Oh. We're about to get all this business." And so my mom was closing all of these DMEs at like, 8% billing.

STEVE SCHNEIDER: Yeah.

BRETT SABADO: Right? And then-

STEVE SCHNEIDER: Yeah.

BRETT SABADO: ... And the reason why is she's saying, "I'm going to give you all the business." Now, when you go to court or you get in- investigated or something like that, they're going to say, "Why did you pay 8%? It's above, you know, the normal um, what's usual and customary," is what they call it.

STEVE SCHNEIDER: Right.

BRETT SABADO: And you know, they're going to say, "Well, we were going to get business from her." And dude, it's as clear as day, right?

STEVE SCHNEIDER: Yeah.

BRETT SABADO: So I'm like, you know, we're going to do pricing that everyone likes, and we're going to offer the reps over, and because the pricing is where it's at and everything's working properly,

this thing should f- like, blow up, dude, like just fly off and we go crazy with it.

STEVE SCHNEIDER: Right.

123. Sabado described “Plan A,” a fraud-free plan to get more business directly from hospitals. He rued the fact that “plan A” had been put on a back burner because his mother was busy doing “stupid things”:

BRETT SABADO:

Well here- here's the thing, the- the fact of the matter is this, and this is like plan B right now only because ... it should be plan A, but because of time it's plan B. And that's partially why I'm frustrated, 'cause you know, we had a lot of time to set this up earlier, and we were so busy doing stupid things that, um ... and growing based off my mom's plans that I- I couldn't do this.

V. THE \$22 MILLION PAYDAY.

124. At the height of the fraud, E.Z Life and PRV were raking in \$1,300,000 a day — and paying out at least 25% of that in kickbacks for “marketing” that would net more Medicare patients.

125. But when Operation Brace Yourself became public, the Greens were concerned that DOJ was hot on the trail of E.Z Life and PRV. They renamed — Sabado euphemistically called it “rebranded” — all their companies to try to throw the feds off the track. For example, the Greens now own a DME called Zee & Associates, headquartered in Texas.

126. Because the Greens had supplied patients with braces that they never needed in the first place, when the Greens abruptly shuttered PRV and E.Z Life, they were left with large stocks of inventory that had been returned by patients. For months the Greens dithered about whether to reimburse Medicare for the returned braces. Brett Sabado noted that his parents would be no better than the indicted Nadia Levit if they just “burned their DMEs” and kept going, without paying Medicare back for the returned braces that sat in their shop. However, both Brett Sabado and Ronnie Green have confirmed that their parents in fact did not reimburse Medicare for returned braces. Many returned braces are currently sitting in the DR Medical warehouse.

127. When Operation Brace Yourself hit the front pages, Melinda and Ron Green temporarily shut down their fraud ring. But they bragged that they had amassed \$22 million in the bank as a result of their very profitable fraud scheme.

VI. ADDITIONAL EVIDENCE OF THE FRAUD.

A. “Robocop” Patients.

128. To keep up with demand, Rob Tyler sometimes helped in the warehouse, packing boxes to go to patients. He was astonished to see that some patients were getting multiple braces, sometimes as many as 6 at a time, for back,

knees, ankles, wrists, and shoulders. Virtually every patient who got a knee brace also got a back brace.

129. Brett Sabado laughed and made jokes about the fact that, that with all these braces on, the patients would look like Robocop.

B. Irate Patients.

130. DR Medical received messages from irate “patients” who claimed they were receiving braces they never ordered. Some callers were polite, others cursed; but a common theme ran through the calls. As one caregiver put it, “They didn't order 'em, they don't want 'em.”

131. For example, Patient 1 said: “I’m calling in regards that I'm getting all this medical stuff for back brace, knee brace, all this. I don't need none of that. I, I don't know what, what to do. I mean, if I sent it back it's gonna cost me money. So, could you please call me and let me know what to do with this stuff?”

132. Patient 2 said: “I received in the mail last week a package of about six, uh, braces, which I did not order and I need to get, uh, authorization to send them back or do whatever with them.”

133. Patient 3 said: “I’ve received some, um, medical equipment in the mail that I don't want. I explicitly told them not to mail it to me and they sent it anyway.”

134. Patient 4 said: "I received, uh, articles in the mail, ankle braces, back braces, that I didn't order and I'm, I am not a DME patient. I want to know what's going on."

135. Patient 5 said: "I received a package from Holiday Medical Solutions. And evidently, they're not in business anymore. And I did not need shoulder braces. So, I'm wondering should I return ... Can I return them to you?"

136. Patient 6 said: "I'm hearing that it was indeed a scam, but I don't know how to go about returning it."

137. Patient 7 said: "My mother is demented and hadn't a clue what she was speaking with someone on the phone about. And I wish to send this, um, equipment back, as she does not need it."

138. Relator Tyler has produced a transcription of these and other phone calls to the United States in his disclosure statement. These transcriptions are not attached to this Complaint for privacy reasons.

139. Tyler received as many as 10 of these calls a day, patched through to his cell phone.

C. The Greens' Portal.

140. For their medical billing business, the Greens hired programmer Kyle Hendrix to create a portal that would show information such as the patient's name,

address, Medicare number, and health information; the name of the sales rep and the location of the call center where the sales rep was working; and the name and address of the doctor who wrote the prescription. The Greens use the portal to manage orders and billing for their own DMEs, as well as for other DMEs that subscribe to the Greens' billing service.

141. Tyler did not have regularly access to the portal, but when he glimpsed it, he noticed that frequently the doctors and the patients were in different states and often in different regions of the country.

VII. THE GREENS DECIDE TO CONTINUE THE FRAUD.

142. After his friends were taken down in Operation Brace Yourself, Brett Sabado toyed with the idea of playing a straight game, and running the DME business without fraud. Instead, almost immediately his mother Melinda Green recruited a new frontman, George Moreira, to run DMEs. Moreira's partner Dominick [last name unknown] owned a pharmaceutical benefits manager ("PBM"), and George Moreira planned to "stick DMEs under" the PBM.

A. George Moreira and the Greens Continued the Fraud.

143. George Moreira's business plan was simply to continue doing exactly what the Greens had been doing: recruiting DMEs, connecting the DMEs to lead generation centers that would provide them with completed leads, convincing the

DMEs to use the suite of services that the Greens offered, and taking kickbacks from all of the above and for all of the above.

144. Sabado was dismayed that George planned to be "100 percent dependent on the business" — meaning, the business provided by lead generators. In the April/May 2019 call, Sabado acknowledged that the only difference he could see was that now the Greens would have to share the profits with George:

BRETT SABADO:

I talked to these people that they talked to. If they would have just done a little more due diligence, you know, they, we would have a better idea. You know, and so I get on the phone with George, and I'm asking him these really pointed questions. And, when I found out that it was all 100 percent dependent on the business, I said, "George, let me, let me tell you something man." I'm like, I said, "Is, if your pitch is this." And I said, "You walk into, you know a DME and say, I'll give you two million dollars worth of business, but you're gonna use all of these things."

BRETT SABADO:

Um, I said, "I can do that man." I said, "I know all the reps. I know all the business, and that there's a reason I don't do that." There's a, there's a reason why I'm not like walking through the front door, being like, it's Medicare Telemed. You either take it and you use everybody and you pay these obnoxious amounts. But that's his plan. And so I'm like, so I said, "Let me get this straight, George. You have access to all these DMEs, you only -- his partner, not even him -- owns three of them." Okay?

STEVE SCHNEIDER:

Right.

BRETT SABADO:

And see, the, the ones that he's gonna start is his partner's, all right,

which is, I mean, at least we're closer, right? We're, we're a little closer to the finish line on those ones.

STEVE SCHNEIDER:
Right.

BRETT SABADO:
But, it's like, he goes, I, I, well he goes, "I just wanna use you guys, white label it, and then upcharge everybody on your stuff." I went, "So let me get this straight. All the business you now have is basically my mom's business. 'Cause you don't have your own. You don't have any services, right. You don't have y-y, it's our portal, it's our billing, it's our pick and pack. It's our braces. And you're just gonna mark it up, right, on a white label?" I'm like, "Dude, I can do that myself. I can call freaking a million DMEs myself."

STEVE SCHNEIDER:
Yeah.

BRETT SABADO:
Why would I let you mark us up to freaking seven percent and then we'd lose business, because you're, you don't wanna take a cut on your own override.

145. Sabado discussed running a clean operation with Moreira, but as time would tell, the Greens and Moreira were uninterested.

STEVE SCHNEIDER:
So what does, how, so okay, so now I got that, so then how was George gonna work and and and, and still be okay, and and like, what's he gonna do different that is gonna allow him to do the the business?

BRETT SABADO:
Well there's there's um, better ways to do Telemed, and he could implement everything in the world that he can, right? And I, I told him yesterday, a way that I think he should do it.

STEVE SCHNEIDER:
Okay.

BRETT SABADO:
And I'll, dude it's like a 45 minute call, like dude. 'Cause he doesn't know, and I'm like, gosh dang it, like how do you not freaking know this, you're about to get into this business and do this and like, none of you freaking know. And so that's why I'm talking to these people that I, that have the balls to to do it right. And you know, that are reasonable people and aren't, you know, trying to make too much money on it.

BRETT SABADO:
They're like, "Hey, listen, we're gonna..." 'Cause the rep groups are trying to make as much as they can.

STEVE SCHNEIDER:
Right.

BRETT SABADO:
And they, they're cutting corners. And I'm like, "Listen, I know some people that won't cut corners. And you know we could actually get good stuff."

146. Brett said that he personally wanted to work with legitimate DME's, who were not using telemedicine, but added that it was too late, and by now the group had no choice but to operate fraudulently:

BRETT SABADO:
Right? So, I'm like, I don't, I don't really wanna go down that road. Now, we have to. Right now.

STEVE SCHNEIDER:
Right.

BRETT SABADO:

Because we don't have another choice, dude.

B. The Greens Rearrange the Deck Chairs on the Ship of Fraud.

147. Just weeks after Operation Brace Yourself, the Green family dove right back into the cesspool.

148. Hoping to escape the long arm of the law, the Greens relocated personally, purchasing a \$3 million home in Orlando, Florida.

149. But while the location has changed, the fraud remains the same. The Greens continue to purchase completed leads which they then bill to Medicare. They also continue to demand and get kickbacks for sending DMEs to call centers that manufacture leads.

1. "That Would Be Really Stupid."

150. In the April 2019 phone call, Sabado acknowledged that it would be risky to keep running the same fraud, and might result in jail time:

STEVE SCHNEIDER:

So with that, with that said, George, you know, quote unquote, doing it the right way, hopefully, and choosing the rep group. Does he ... What do you, I mean, h- what does that do for volumes? I mean, is that going to be s- like, just the 50 to 100 uh, uh, a week? Or is it going to be you know, PRV-style volume? Is it, what, I mean, what does that m- what does that mean? I mean, I don't even know what that ... like, I'm trying to figure that out.

BRETT SABADO:

... Well um, so let's say you own the DME and, and two weeks ago,

everyone was going to jail for the business you're about to do.

STEVE SCHNEIDER:
Right.

BRETT SABADO:
Um, a- I mean, how much are you going to put through there?

STEVE SCHNEIDER:
Uh, yeah. Th- I, I don't know.

BRETT SABADO:
(laughs)

151. Sabado also admitted that it would be “really stupid” for his mom to go back to taking kickbacks for sending DMEs to lead generation centers:

BRETT SABADO:
And, what's happening is, a lot of those clients all want business. Now, I don't actually care where they get the business from. My mom's saying she doesn't wanna do that anymore, so she's just introducing them to the groups. And saying, hey you choose who you want. You choose how you want to do it, what you want to pay them. Like, it's all your choice with them, I'm just giving you the phone call introduction.

STEVE SCHNEIDER:
Oh, I see, so, she, she's not making any money off the backside anymore?

BRETT SABADO:
No-

STEVE SCHNEIDER:
Oh, I see, so she's-

BRETT SABADO:

Right.

STEVE SCHNEIDER:

... She's, she's not making any money off the back side anymore.

BRETT SABADO:

No. She's not. Well, she can't, I mean ...

STEVE SCHNEIDER:

Yeah.

BRETT SABADO:

(laughs) She really ought to not to.

STEVE SCHNEIDER:

Right.

BRETT SABADO:

Um ...

STEVE SCHNEIDER:

Oh (laughs) s***, is she still going to ... is she still d- you think she's still trying to make money?

BRETT SABADO:

Uh, I, I don't think so [crosstalk 00:12:16]. That would be really stupid.

STEVE SCHNEIDER:

Oh, okay. Got you. I was going to that, that'd be crazy. Um, all right. So, so a- she's basically just turning these over to the, to the, to the, to you to ... saying, "Hey, call these guys," kind of thing?

2. *New Names, Same Fraud.*

152. Stupid or not, in fact the family returned to the same fraud plan. They literally changed the names of the companies — Sabado euphemistically called it “rebranding” — and kept going.

153. In April 2019, they shut down business at PRV and E.Z Life, and shifted their business focus to another DME they owned, Zee and Associates in Houston, Texas. Zee & Associates, which falls under the NHS Pharma umbrella set up by the Greens, has experienced astonishing growth. It is obtaining orders for \$600,000 in braces a month, and is set to make \$4 million in profit this year.

154. The Greens have now locked down ownership of: (1) the DMEs that order the braces, including Zee and other DMEs, such as George Moreira’s, that they control; (2) DR Medical, the manufacturer that supplies the braces; (3) Red Rock, the pick pack operation that packs and ships them; and (4) the billing companies that hooks all of those operations together and sends the tab to Medicare. The Greens also sell (2), (3) and (4) to other DMEs, like Defendant Nationwide Prime, which they usher into the family fraud business.

3. *The Defendants continue to sell multiple braces to patients who do not need them.*

155. When orders pile up, Relator Tyler helps pack the boxes for Brett Sabado’s pick pack. In mid-September, while he was packing boxes, Tyler saw

that, just as before, most boxes contain multiple braces for a single patient. Relator Tyler has produced a photo of these boxes to the United States in his disclosure. In an abundance of caution, this photo is not attached hereto for privacy reasons.

156. For example, Tyler noted the following:

DME	Patient Name	Patient Location	No. of Braces
Nationwide Prime	Patient 8	Dalzell, SC	6
Nationwide Prime	Patient 9	Palmdale, CA	3
Zee & Associates	Patient 10	Madison, WI	1
Zee & Associates	Patient 11	Odenton, MD	1
Zee & Associates	Patient 12	Dowagiac, MI	1
Zee & Associates	Patient 13	Cresskill, NJ	1
Zee & Associates	Patient 14	Valentines, VA	1
Zee & Associates	Patient 15	Parkville, MD	1
Zee & Associates	Patient 16	Aberdeen, MD	4
Zee & Associates	Patient 17	Springfield, MA	4
Zee & Associates	Patient 18	Cedar City, UT	5
Zee & Associates	Patient 19	Jefferson City, TN	4
Zee & Associates	Patient 20	Youngstown, OH	3
Zee & Associates	Patient 21	Alexandria, VA	3
Nationwide Prime	Patient 22	Portland, OR	6
Nationwide Prime	Patient 23	Raleigh, NC	5
Global DME Solutions	Patient 24	Hartsville, SC	6

4. *The Greens Continue to Do Business with DMEs They Know Are Buying Leads.*

157. In the April 2019 phone call, Sabado admitted that he did not trust George Moreira to handle the DME business legally:

STEVE SCHNEIDER:

So we, so we don't, so we really have no clue what George is going to bring to the table and when.

BRETT SABADO:

Yeah. Yeah. Well, I, the, the biggest thing for me is is I, I don't, I don't believe in, I, I don't necessarily believe in George, is my, is my-

STEVE SCHNEIDER:

Okay.

BRETT SABADO:

... End, end all thing. It's like, he's ... I'm, when I'm smarter than the person on the other side-

STEVE SCHNEIDER:

Yeah.

BRETT SABADO:

... And I ... even though I'm the DMEs, right?

STEVE SCHNEIDER:

Yeah. Yeah.

BRETT SABADO:

It's a real problem. Um-

STEVE SCHNEIDER:

Y- Yeah.

BRETT SABADO:

... Like, all these other DME owners know way more than I do about owning DMEs.

STEVE SCHNEIDER:

Sure.

158. Despite Sabado's misgivings, the Greens and Sabado proceeded to do brisk and substantial business with George Moreira.

5. *Sabado and the Greens Continue to Connect DMEs to Lead Generation Companies.*

159. In the recorded phone call, just weeks after Operation Brace Yourself, Sabado admitted that he already was connecting DMEs with companies that were willing to provide completed leads:

STEVE SCHNEIDER:

And, and then, and then, and one of your sales pitches, as I'm assuming, is, "Hey. I've got some rep groups that I can also put you in touch with that can uh, help, you know."

BRETT SABADO:

It's not my sales pitch.

STEVE SCHNEIDER:

Not your sales pitch, but-

BRETT SABADO:

It's not. Like-

STEVE SCHNEIDER:

... But y- you-

BRETT SABADO:

... And I, I have to s- I have to say, listen um, because you know, they, they all asked about it. And I said, "Okay, well, you know, if, if you want that, you know, I can put you in touch with people, but-"

STEVE SCHNEIDER:

... Right. Put you in touch with people. Right.

BRETT SABADO:

... Um ...

STEVE SCHNEIDER:

I got you.

BRETT SABADO:

I- If they ask. Like, right now I'm-

STEVE SCHNEIDER:

If they ask.

BRETT SABADO:

... I'm, I'm wanting people that are self sufficient, you know?

STEVE SCHNEIDER:

Yeah. Right. Right.

160. Melinda Green also was continuing to introduce DMEs to lead generation centers that would provide completed leads:

STEVE SCHNEIDER:

So the, so she just basically, she's, the rep groups are calling her, and she's saying, "Hey. Call h- call, call Brett," kind of thing.

BRETT SABADO:

Yeah. Well, she, yeah, she's saying, you know, well, she's getting on the phone saying, "These are the DMEs." So I'm telling my mom what the DMEs are. She knows some of the DMEs herself.

STEVE SCHNEIDER:

Right.

BRETT SABADO:

And she's just introducing them.

STEVE SCHNEIDER:
Okay.

161. On information and belief, Melinda Green continues to get a kickback — which she calls an “override” — for referring the DMEs to the call centers.

6. The Lead Generation Centers Continue to Use Telehealth Doctors Who Do Not Physically Treat the Patients.

162. In August 2019, after the Greens purchased DR Medical, Tyler and Sabado were at Red Rock’s offices doing a demo for new customers. To explain something, Sabado pulled up a screen on the proprietary portal that the Greens used to manage orders and billing for the DMEs they serviced. Tyler noticed that the physicians were not in the same location as the patients, and after the demo he asked Sabado about it. Sabado insisted then, as well as in a group meeting, that the Greens passed Medicare DME audits “all the time” and also had passed a more intensive Medicare “probe.”

LEGAL COUNTS

163. On behalf of the United States, Relator Robert Tyler has filed this qui tam action against Defendants for their knowing acts and omissions in violation of the False Claims Act, 31 U.S.C. § 3729, et seq. Relator Tyler alleges that the Defendants: (a) defrauded the United States, Medicare and Medicare patients through a fraudulent kickback scheme that placed profit over care; (b) procured

prescriptions from medical providers who had not examined or even spoken to the patients for whom they were writing prescriptions; (c) billed Medicare for braces that were medically unnecessary for the patients to whom they were sent; (d) billed Medicare for braces that were never requested by patients; (e) failed to reimburse Medicare for braces that were returned by patients; and/or (f) provided braces based on a physician order procured through the payment of kickbacks and bribes.

164. The DMEs, Individual Defendants and Holding Companies submitted or caused the DMEs to submit enrollment applications to Medicare in which they falsely certified that they would comply with all applicable federal regulations and laws, including that they would not knowingly present or cause to be presented a false and fraudulent claim for payment by Medicare and that they would comply with the federal Anti-Kickback Statute.

165. To become participating providers in Medicare, enrolled DME companies were required to list the owners and officers of the DME companies on Form CMS-855S.

166. To further evade detection and Medicare audits, Defendants concealed from Medicare their ownership, financial and/or controlling interest in the DME Companies by using nominee owners and falsely reporting the nominee owners on the Form CMS-855S while omitting their own names.

167. The DMEs entered into agreements with the Call Centers to purchase completed product orders so that the companies could bill Medicare.

168. The Individual Defendants and Holding Companies caused the DMEs to enter into agreements with the Call Centers to purchase completed product orders so that the companies could bill Medicare.

169. Defendants Ron and Melinda Green, Brett Sabado, the DMEs, and Holding Companies paid or caused to be paid illegal kickbacks and bribes to the Call Centers, including Defendants Empire Pain Center Holdings, LLC, Anthony Mazza and Nicco Romanowski, in exchange for completed prescriptions with Medicare-required documents (collectively referred to as "doctors' orders") that would be used to support claims to Medicare for braces from the DMEs.

170. Defendants Ron and Melinda Green, Brett Sabado, the DMEs, and Holding Companies agreed to pay and paid, or caused to agree to pay and caused to pay, a fixed price to Call Centers, including Defendants Empire Pain Center Holdings, LLC, Anthony Mazza and Nicco Romanowski, for a "lead," which actually was a completed order that included a doctor's prescription.

171. The Call Centers provided the DMEs with "completed leads" and not "raw leads." The "completed leads" not only contained contact information

regarding individuals interested in orthotic braces, but also included a physician's order for orthotic braces for that particular individual.

172. The DME companies received a file transfer from the Call Centers, including Empire Pain Center Holdings, LLC, that included a physician's prescription, the Medicare patient's information, and the DME product that was to be shipped to the patient.

173. Additionally, the Individual Defendants, DMEs, Call Centers, Holding Companies, and Pick Pack added, and caused to be added, unnecessary braces to orders that were already being placed, and billed Medicare for those additional, unnecessary braces.

174. The doctors who signed the orders for braces often did so regardless of medical necessity, in the absence of a pre-existing doctor-patient relationship, without a physical examination, and frequently based solely on a short telephonic conversation with the Medicare beneficiary, or even no telephonic conversation with the Medicare beneficiary. Often the doctors and the beneficiaries were not even in the same state or region of the country.

175. Defendants knowingly submitted and caused claims to be submitted to original fee-for-service Medicare and Medicare Advantage plans for braces that were procured through the payment of kickbacks and bribes and which were

medically unnecessary, not requested, not provided as represented, and/or provided based on a physician order procured through the payment of kickbacks and bribes.

176. The product orders were documented and tracked through the Billing Companies, using a portal designed, owned and run by the Greens.

177. With full knowledge of the scheme, the Defendant Billing Companies knowingly submitted and caused claims to be submitted to original fee-for-service Medicare and to Medicare Advantage plans for braces that were procured through the payment of kickbacks and bribes and which were medically unnecessary, not requested, not provided as represented, and/or provided based on a physician order procured through the payment of kickbacks and bribes.

178. With full knowledge of the scheme, the Defendant Pick Pack knowingly caused claims to be submitted to original fee-for-service Medicare and to Medicare Advantage plans by filling orders and shipping braces that were procured through the payment of kickbacks and bribes and which were medically unnecessary, not requested, not provided as represented, and/or provided based on a physician order procured through the payment of kickbacks and bribes.

179. With full knowledge of the scheme, the Defendant Holding Companies knowingly submitted and caused claims to be submitted to original fee-for-service Medicare and to Medicare Advantage plans for braces procured

through the payment of kickbacks and bribes and which were medically unnecessary, not requested, not provided as represented, and/or provided based on a physician order procured through the payment of kickbacks and bribes.

180. Defendants similarly submitted claims to original fee-for-service Medicare and to Medicare Advantage plan sponsors for braces that were procured through the payment of kickbacks and bribes and which were medically unnecessary, not requested by a Medicare beneficiary, not provided as represented, and/or provided based on a physician order procured through the payment of kickbacks and bribes.

181. To conceal the illegal kickbacks and bribes, Defendants created and entered into sham contracts and documentation that disguised the illegal kickbacks and bribes as payments for marketing and business process outsourcing, billing, pick pack, and other services. These payments exceeded the actual value of and the usual and customary amount charged for such services.

182. To conceal the illegal kickbacks and bribes, the Call Centers, including Defendants Empire Pain Center Holdings, LLC, Anthony Mazza and Nicco Romanowski, created sham contracts and documentation that disguised the illegal kickbacks and bribes as payments to Melinda and Ron Green and others for

marketing and sales services. These payments exceeded the actual value of and the usual and customary amount charged for such services.

183. Defendants charged, accepted, and paid, amounts that exceeded the fair market value for legitimate marketing and business process outsourcing, billing, pick pack, and other services. Defendants would not have made these payments if they had not been providing and receiving doctors' prescriptions for durable medical equipment items for the DMEs.

184. Over the course of the fraud, the DMEs, Billing Companies and others billed original fee-for-service Medicare and Medicare Advantage plan sponsors for DME items purportedly provided as medically necessary to thousands of Medicare beneficiaries who resided across the United States.

185. The Holding Companies owned, controlled and orchestrated the actions and violations of the other Defendants, including those actions and violations described above.

186. Using a proprietary portal designed and built by the Greens, the Billing Companies controlled and orchestrated the fraudulent billing to Medicare, as well as the web of kickbacks between the parties.

COUNT I

**VIOLATIONS OF THE FALSE CLAIMS ACT
31 U.S.C. § 3729(a)(1)(A)**

187. Plaintiffs incorporate by reference and re-allege the previous paragraphs as if fully set forth herein.

188. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*

189. Through the schemes, acts and failures described above, Defendants and/or their agents violated, and continue to violate, 31 U.S.C. § 3729(a)(1)(A), by knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval.

190. As a result of these false claims, the United States has been damaged and continues to be damaged, in an amount yet to be determined.

COUNT II

**VIOLATIONS OF THE FALSE CLAIMS ACT
31 U.S.C. § 3729(a)(1)(B)**

191. Plaintiffs incorporate by reference and re-allege the previous paragraphs as if fully set forth herein.

192. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*

193. Through the schemes, acts and failures described above, Defendants and/or their agents violated, and continue to violate, 31 U.S.C. § 3729(a)(1)(B), because they have knowingly made, used, or caused to be made or used, a false record or statement material to a false or fraudulent claim.

194. As a result of these false claims, the United States has been damaged and continues to be damaged, in an amount yet to be determined.

COUNT III

VIOLATIONS OF THE FALSE CLAIMS ACT 31 U.S.C. § 3729(a)(1)(C)

195. Plaintiffs incorporate by reference and re-allege the previous paragraphs as if fully set forth herein.

196. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*

197. Through the schemes, acts and failures described above, Defendants and/or their agents violated, and continue to violate, 31 U.S.C. § 3729(a)(1)(C), by conspiring to commit a violation of subparagraphs (A), (B), (D) or (G).

198. As a result of these false claims, the United States has been damaged and continues to be damaged, in an amount yet to be determined.

COUNT IV

**VIOLATIONS OF THE FALSE CLAIMS ACT
31 U.S.C. § 3729(a)(1)(D)**

199. Plaintiffs incorporate by reference and re-allege the previous paragraphs as if fully set forth herein.

200. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*

201. Through the schemes, acts and failures described above, and specifically by not reimbursing Medicare for braces that were returned by patients, Defendants and/or their agents had possession, custody, or control of property or money used, or to be used, by the Government, and knowingly delivered, or caused to be delivered, less than all of that money or property, in violation of 31 U.S.C. § 3729(a)(1)(D).

202. As a result of these false claims, the United States has been damaged and continues to be damaged, in an amount yet to be determined.

COUNT V

**VIOLATIONS OF THE FALSE CLAIMS ACT
31 U.S.C. § 3729(a)(1)(G)**

203. Plaintiffs incorporate by reference and re-allege the previous paragraphs as if fully set forth herein.

204. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*

205. Through the schemes, acts and failures described above, Defendants and/or their agents violated, and may continue to violate, 31 U.S.C. § 3729(a)(1)(G), because they have knowingly made, used, or caused to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly concealed or knowingly and improperly avoided or decreased an obligation to pay or transmit money or property to the Government.

206. As a result of these false claims, the United States has been damaged and continues to be damaged, in an amount yet to be determined.

COUNT VI

VIOLATIONS OF THE FALSE CLAIMS ACT Violations of the Anti-Kickback Statute

207. Plaintiffs incorporate by reference and re-allege the previous paragraphs as if fully set forth herein.

208. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*

209. The Defendants knowingly and willfully offered or paid remuneration, directly as well as indirectly, and overtly as well as covertly, to persons in order to induce them to refer individuals to the Defendants for the

furnishing of or arranging for the furnishing of items or services for which payment may be made in whole or part under a government-funded healthcare program, in violation of 42 U.S.C. § 1320a-7b(2)(A).

210. The Defendants knowingly and willfully offered or paid remuneration, directly as well as indirectly, and overtly as well as covertly, to persons in order to induce them to purchase, order, or arrange for or recommend purchasing or ordering any good, facility, service or item for which payment may be made in whole or in part under a government-funded healthcare program, in violation of 42 U.S.C. § 1320a-7b(2)(B).

211. As a result of the schemes, acts and failures described in this Complaint, Defendants submitted false and fraudulent statements and claims for payment for healthcare and healthcare services that were provided or procured in violation of the AKS and due to Defendants' illegal provisions of kickbacks.

212. The Anti-Kickback statute is a critical provision and compliance with it is a condition of payment, and is material to the government's treatment of claims for reimbursement. Had the Government known that Defendants were engaging in fraudulent kickback practices, it would not have provided reimbursement for the claims submitted in violation thereof, but unaware that the claims were false and fraudulent, and relying on their accuracy, it paid those claims.

213. As a result of Defendants' violations of the AKS, Defendants caused other providers of federally-funded healthcare services to submit false claims for care and services.

214. As a result of Defendants' violations of the AKS, Defendants caused other providers of federally-funded healthcare services to submit false claims for care and services.

215. The AKS has a very limited set of "safe harbors" for conduct that could possibly violate the statute, but has been deemed not to; no safe harbor protects the kind of fraudulent conduct Defendants have exhibited as set forth in this Complaint.

216. The claims that Defendants submitted in violation of the Anti-Kickback statute constituted false or fraudulent claims for purposes of the False Claims Act. *See* 42 U.S.C. § 1320a-7b(g).

217. In submitting false claims for payment for DME and other government-funded healthcare services provided and procured in violation of the AKS, and causing others to do the same, Defendants knowingly, with reckless disregard, presented, or caused to be presented, a false or fraudulent claim for payment or approval, in violation of 31 U.S.C. § 3729(a)(1)(A).

218. In making and using false records and statements material to claims for payment and reimbursement for DME provided and procured in violation of the AKS, and causing others to do the same, Defendants knowingly, with reckless disregard, made, used, or caused to be made or used, a false record or statement material to a false or fraudulent claim, in violation of 31 U.S.C. § 3729(a)(1)(B).

219. Despite their knowing and willful violations of the AKS, Defendants demanded and received millions of dollars in DME payments from government-funded sources, yet took no action to satisfy their obligations to repay or refund those payments, and instead retained the funds and continued to bill the Government.

220. As a result of their violations of the AKS, Defendants had possession, custody or control over property or money in the form of overpayments and improper payments, that was used, or to be used, by the Government and knowingly delivered, or caused to be delivered, less than all of that money or property, in violation of 31 U.S.C. § 3729(a)(1)(D).

221. In making or using false records or statements material to claims for payment and reimbursement for DME and other healthcare services provided and procured in violation of the AKS, and causing others to do the same, Defendants knowingly, with reckless disregard, made, used, or caused to be made or used, a

false record or statement material to an obligation to pay or transmit money or property to the Government, in violation of 31 U.S.C. § 3729(a)(1)(G).

222. In concealing and knowingly and improperly avoiding or decreasing their obligation to repay government-funded healthcare plans for payments made for healthcare services provided and procured in violation of the AKS, and causing others to do the same, Defendants knowingly, with reckless disregard, concealed or knowingly and improperly avoided or decreased an obligation to pay or transmit money or property to the Government, in violation of 31 U.S.C. § 3729(a)(1)(G).

223. In violating the AKS, Defendants conspired to commit a violation of subparagraphs (A), (B), (D), and/or (G), in violation of 31 U.S.C. § 3729(a)(1)(C).

224. Defendants' compliance or lack thereof with the False Claims Act and the Anti-Kickback statute, and their false claims and certifications about their compliance or lack thereof, were a condition of payment and were material to the Government's decision to pay the Defendants and other medical providers and to not require reimbursement of those payments, and had a natural tendency to influence, or were capable of influencing, the payment or receipt of money or property.

225. As a result of Defendants' violations of the False Claims Act and the Anti-Kickback statute, government-funded healthcare programs paid the

defendants and other healthcare providers millions of dollars that should not have been paid and the defendants retained millions of dollars that they should have reimbursed to government-funded healthcare programs.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray and demand the following:

- (a) That process issue and service be made upon Defendants to appear and answer this Complaint as provided by law;
- (b) That judgment be entered in favor of Plaintiffs and against Defendants on all Counts of the Complaint;
- (c) That Plaintiffs be awarded all damages flowing from Defendants' wrongful acts;
- (d) That Plaintiffs be awarded three (3) times the amount of damages sustained by the United States as a result of the wrongful acts of the Defendants, pursuant to 31 U.S.C. § 3730, et seq.;
- (e) That Plaintiffs be awarded a civil penalty of not less than \$ 5,500 and not more than \$ 11,000 for each wrongful act by Defendants, pursuant to 31 U.S.C. § 3730, et seq.;
- (f) That Relator Tyler be awarded a portion of all damages, pursuant to 31 U.S.C. § 3730, et seq.;

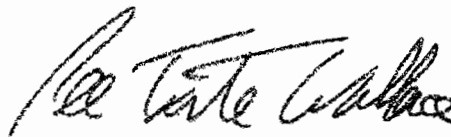
(g) That Relator Tyler be awarded his costs and attorneys' fees, pursuant to 31 U.S.C. § 3730, et seq.;

(h) That Plaintiffs be awarded such other and further relief as is justified by the facts and law and that this Court deems just and proper; and,

(i) That Plaintiffs be granted a trial by jury.

Submitted this 8th day of November, 2019.

THE WALLACE LAW FIRM, L.L.C.

A handwritten signature in black ink, appearing to read "Lee Tarte Wallace". The signature is fluid and cursive, with the first name "Lee" being the most prominent.

LEE TARTE WALLACE
Georgia Bar No.: 698320

6030 River Chase Cir.
Atlanta, Georgia 30328
404-550-4615

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA, <i>ex rel.</i> ROBERT JACKSON TYLER, JR., <i>Plaintiff and Relator/Plaintiff,</i> v. MELINDA ELIZABETH SABADO GREEN, et al., <i>Defendants.</i>	Civil Action File No. _____ FILED UNDER SEAL JURY TRIAL DEMANDED
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CERTIFICATE OF SERVICE

This is to certify that I have this date served counsel for the United States of America with a copy of **COMPLAINT** and **RELATOR'S STATEMENT AND EXHIBITS** via U.S. Mail to:

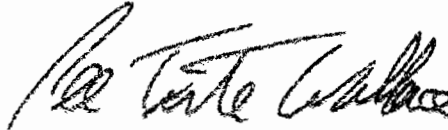
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United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530-0001

This 8th day of November, 2019.

THE WALLACE LAW FIRM, L.L.C.

A handwritten signature in black ink, appearing to read "Lee Tarte Wallace", written in a cursive style.

LEE TARTE WALLACE
Georgia Bar No.: 698320

6030 River Chase Cir.
Atlanta, Georgia 30328
404-550-4615